

OPERATING AND CAPITAL BUDGETS

FISCAL YEAR ENDED JUNE 30, 2005

Prepared By:

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Mission Statement

Our Mission is to create an effective and cost efficient network of County Government services that is responsive to local needs and perpetuates a lifestyle of quality for present and future generations. In performing this task, we are committed to executing our duties with the utmost integrity and in a manner that generates trust and confidence between our Public Officials and Employees and the County's Residents and Taxpayers.

BOARD OF COMMISSIONERS

Gregory M. Dunn, Chairman

Linda Wells, Vice Chair

Herbert E. Frady

Peter Pfeifer

A .G. VanLandingham

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Fayette County
Georgia**

For the Fiscal Year Beginning

July 1, 2003

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to Fayette County for its annual budget for the fiscal year beginning July 1, 2003.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**FAYETTE COUNTY, GEORGIA
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Where Quality Is A Lifestyle

BOARD OF COMMISSIONERS

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Fiscal Year 2005 Budget Message

June 24, 2004

The Honorable Greg Dunn, Chairman
The Honorable Members of the Fayette County Board of Commissioners and
The Citizens of Fayette County, Georgia

INTRODUCTION

It is my pleasure to present the FY2004-2005 budget of Fayette County as adopted by the Board of Commissioners on June 24, 2004. With appropriations totaling \$68,146,365, this budget is representative of the County's long-standing tradition of fiscal and managerial conservatism. The Board of Commissioners and its staff continue to identify and allocate scarce resources in a manner that most effectively, efficiently, and economically meets the dynamic service needs of a growing Metropolitan Atlanta suburban community with a current estimated population of approximately 99,560. Major components of the approved budget include \$46,316,565 for General Fund activities, \$9,995,433 for Special Revenue Fund activities and \$11,834,367 for Enterprise Fund activities.

BUDGET IN BRIEF

The adopted operating budgets for FY 2005 total \$68,146,365. This year's budget is an increase of \$2.1 million over the budget for FY 2004. Even though this is a 3.23% increase over the FY 2004 budget level, it is consistent with the principle of fiscal conservatism. While appropriations are higher than previous fiscal year levels, services will continue to be first class through innovation and continuous effort to improve. Even with the increase in the FY2005 budget, the staff has recommended a reduction of property tax rates to the Board of Commissioners. Several other significant items in this year's budget are described below.

Significant Items In This Year's Budget

- ♦ Criminal Justice Center Funding. On June 1, 2000 the Fayette County Public Facilities Authority issued \$55,250,000 in Revenue Bonds for the Criminal Justice Center Project. The jail expansion and judicial center construction will require \$3,840,361 in debt service funding during FY 2005.
- ♦ Impact Fees. Because of rapid population growth in the area, Fayette County has experienced a strain on its service delivery strategies and existing infrastructure. The County has implemented fire impact fees to help fund capital expenses attributable to new development.

Construction cost for new fire stations is being partially funded by these fees. Long range plans include the construction of Fire Station No. 12 in the next several years in the Tyrone area of the County. The budget for FY 2005 includes the addition of three new Firefighter/EMT in the Emergency Management Service Department and three new Firefighter/EMT in the Fire Department. These are being added to maintain minimum staffing levels and to help reduce the added cost of overtime.

- ♦ Workers' Compensation Self-Insurance Fund. The Board of Commissioners reviewed the current fund balance and determined that the existing reserve was sufficient for the coming year. Therefore, no contributions will be made into this fund during FY 2005.
- ♦ Personnel Costs. Two major initiatives are funded in this year's budget. These initiatives are designed to maintain a competitive compensation plan. By keeping the compensation plan competitive, the County demonstrates a commitment to attract and retain a highly qualified workforce. The first initiative provides a cost-of-living adjustment for employees. The second initiative is for funding for a pay-for-performance appraisal system. These initiatives are incorporated in the FY 2005 budget requests and recommendations.
 1. Cost-of-Living Adjustment. The Board voted to continue an annual cost-of-living allowance (COLA) adjustment to the pay plan to ensure that employees maintain their current buying power, to be adjusted on July 1, 2004. Costs were projected based upon 1.9 % increase for this purpose.
 2. Performance Appraisal System. Included is funding for continuation of a "Pay-For-Performance" annual review system to reward employees based on efforts and accomplishments. Costs were projected based upon historical data of the program since its inception.

Budget Highlights

Personnel

- ♦ Authorized Positions. During the FY 2005 budget process, approximately eleven full time equivalent positions were authorized in the final approved budget. Staff requested that departments document and justify new position request in measurable and verifiable terms. In addition, the departments were required to present rationale and justification documenting that other "staffing" alternatives were being considered as a part of the overall support for a position authorization request. Since increases in staffing, to meet the service delivery needs, were anticipated and provided for during the FY 2003 budget process for the new criminal justice center and jail, only 2 new positions were authorized in this function during the FY 2005 budget process. The Fire and Emergency Services Departments were approved for six new positions during this budget process. This should allow for minimum staffing levels to be met as well as help eliminate the need for increased amounts of overtime. The general government function was able to decrease staffing by a net of 1 with the addition of two mechanics in Fleet Maintenance and the elimination of three positions in the County Extension. The full-time staff in the County Extension office will be fully covered by the County's contract with the University of Georgia which was executed during the budget process.
- ♦ Cost-of-Living Allowance. This budget includes funding to implement a 1.9% cost-of-living allowance, based on the Consumer Price Index (CPI) for calendar year 2003, to be effective July 1, 2004, for all employees. All elected officials' salaries were calculated using the State minimum salary calculations formula and includes an additional 2.0% cost of living allowance which will be effective January 1, 2005.

- ♦ Performance Appraisal System. Included is funding for continuation of a "Pay-For-Performance" annual review system. For FY 2005, salaries and personnel related costs are projected based on the historical averages (i.e., 3% on a scale of 0% to 5%) effective on each employee's current merit date.
- ♦ Performance Measurement. Work continues toward a system based on department missions being linked to the organization's mission and establishing department goals, objectives, and input and outcome measures. This year's document includes a mission statement for each of the County's departments. Implementation is occurring in phases and some departments have included new measures in their budget submissions. These measures appear in the individual function sections after the Workload Indicator measures.
- ♦ Employee Training. Funds are included to provide instructors for updating employees on the use of popular software packages such as Windows, Word, Excel, PowerPoint, Access, and Outlook.

Capital Improvements

- ♦ Pay-As-You-Go Capital Improvement Plan. In an effort to avoid the costly issuance of debt and its associated annual expenses, to the extent possible, Fayette County has adopted a pay-as-you-go capital improvement plan to meet most of its capital needs. Pay-as-you-go financing is defined as the utilization of all sources of revenue other than debt issuance (i.e., fund balance contributions, developer contributions, grants, donations, etc.) to fund its capital improvements plan.
- ♦ Five-Year Capital Improvements Plan. The Board of Commissioners updated the Five Year Capital Improvement Program during the budget deliberations for FY 2005. This program was based upon the county's Comprehensive Planning Process and was prepared in an effort to identify capital needs. Included in this plan are major road projects as well as intersection improvements and resurfacing projects which were identified in the Fayette County Transportation Plan Update adopted during FY 2004. Major funding sources will come from a combination of federal, state and local funds. The County's matching funds will come from a 1% SPLOST, if the referendum is approved by the voters in the November General Election.
- ♦ Judicial Complex. The County has recently constructed a three-story judicial complex and parking lot, additional jail space, and a jail administration building. The County determined that this was needed in an effort to eliminate jail overcrowding and to ensure an efficient court system.
- ♦ Emergency 911 Communications. The migration of the E-911 function to the 821 Mhz frequency was completed at the end of the FY 2004. The 821 Mhz spectrum has been "protected" by the FCC and will serve the needs of the County into the near future. The debt service, associated with this \$7.8 million lease purchase acquisition will be about \$993,762 during FY 2005. Additional maintenance and operations cost as projected are included in the FY 2005 budget. The public safety communications throughout the County has improved significantly with more than ninety five percent of the service delivery area having radio coverage as a result of this enhancement.
- ♦ Senior Center. The \$25,000 annual appropriation to the Senior Citizen Construction Capital Projects Fund is included in this budget. The County has provided three acres of land and \$25,000 a year for the past ten years towards the construction of a new 21,000 square foot multipurpose senior center. The Fayette Senior Services is also seeking private donations and grants to provide funding associated with construction of this new facility.
- ♦ Geographic Information System (GIS) Technology and Digital Mapping. Funding is provided for the continued implementation of a GIS program to allow the County to continue creating digitized information about its infrastructure and to obtain all property information from one source. Various departments will be able to utilize the digitized map data that is being prepared from aerial photography and associate specific information such as zoning,

topography, improvements, land use and the location of infrastructure with each individual parcel.

- **Vehicle Replacement Fund.** In order to maintain a safe, serviceable fleet of vehicles that meets the operational needs of the various County Departments, the County maintains a Vehicle Replacement Fund. In lieu of budgeting replacement vehicles as part of the operating budget, all of the participating departments are assessed an amount equal to one year's depreciation on their fleet. These monies are then transferred to the Vehicle Replacement Fund where they are invested until needed to purchase the replacement unit. The budgeted transfer into this fund for FY2005 totals \$1,576,253.

The following table shows the FY 2005 adopted budget compared with the FY 2004 adopted budget, detailed by funds.

Fayette County, Georgia Operating Budget Comparison FY 2004 and FY 2005 by Fund			
FUND	FY 2004	FY 2005	% Change
General Fund	\$44,339,487	\$46,316,565	3.72%
Special Revenue Funds			
Drug Abuse Treatment and Education	67,566	35,000	-48.20%
Emergency 911	1,554,243	2,754,615	77.24%
Federal Confiscated Property	195,100	-	-100.00%
Fire Fund	6,065,326	6,141,780	1.26%
Jail Construction	310,000	301,700	-2.68%
Juvenile Supervision	40,300	31,100	-22.83%
Law Library	19,976	48,175	141.17%
Library S.P.L.O.S.T.	158,000	203,000	28.49%
State Confiscated Property	59,500	72,400	21.68%
Street Lights	181,650	188,150	3.58%
U.S. Customs	9,200	-	-100.00%
Victims Assistance	197,375	219,513	11.22%
Enterprise Funds			
Solid Waste	171,801	127,861	-25.58%
Water System	<u>12,649,112</u>	<u>11,706,506</u>	<u>-7.46%</u>
Total Operating Budget	\$66,018,636	\$ 68,146,365	3.23%

REVENUES

- ♦ User Fees. County departments reviewed all user fees and charges that they collect to ensure that they represent the recovery of all direct and indirect costs of service, unless full cost recovery would be excessively burdensome on those citizens receiving the service. Departments submitted schedules of recommended fees for the upcoming fiscal year. The Board reviewed and adopted fees necessary to assure recovery of appropriate costs as part of the FY 2005 budget process.
- ♦ Impact Fees. The County has instituted fire impact fees to help fund capital expenses attributable to new development. The budgeted amount is extremely conservative because the amount to be collected is uncertain.
- ♦ Property Taxes. The property tax continues to be the most significant revenue source for the General Fund and the Fire Fund. As a means of funding current, capital outlay, debt service and intergovernmental expenditures as they relate to the service level for the fiscal year, the County sets its maintenance and operations (M&O) millage rate at an amount which corresponds to that year's revenue production capacity. It is the intent of the Board to keep this millage rate constant and to avoid sudden changes in the millage rate.
- ♦ Taxpayer Relief Act. The continuation of homestead exemption will continue to have a favorable impact on property taxes.
- ♦ Taxpayer Bill of Rights. In keeping with Taxpayers' Bill of Rights legislation, the County will factor its millage rate by the net impact of reassessments on tax revenues or will hold the required public hearings to notify the public of any proposed tax increase as a result of the reassessed value of property.

FINANCIAL ASSESSMENT

Fayette County's finances remain healthy given its conservative budgeting policies and tax revenue growth. Growth in the tax base has enabled the County to reduce its property tax rate for operating purposes significantly over the last decade. The County has the highest median household income in the State, one of the lowest millage and sales tax rates in the metro-area, and one of the lowest unemployment rates in Georgia. Fayette County's success with managing growth and planning for the future is highlighted by the recognition associated with the County's attainment of its 'AA' bond rating in spite of its relatively small size.

Fund Balances and Financial Reserves

A measure of financial strength is the level of Fayette County's fund balances (i.e., excess of current assets over current liabilities). A second indicator of the County's financial strength is the level of its financial reserves. The County's estimated unreserved fund balance in the General Fund will amount to approximately \$26,508,596 as of June 30, 2004. The fund balance of the General Fund is budgeted to decrease in FY 2005 by \$1,676,546. This is primarily due to funding in the amount of \$3,179,295 for one-time capital improvements during the current fiscal year. The County's Special Revenue Funds will have a combined fund balance of approximately \$7,906,926 at the end of FY 2004. The County currently has Workers' Compensation Self-Insurance Fund reserves totaling \$2,543,900, Dental Self-Insurance Fund reserves totaling \$243,087, and Major Medical Self-Insurance Fund reserves totaling \$1,569,645. These funds will be used to help protect the County against potential claims.

Bond Ratings

The County's bond rating is further evidence of its financial strength. The County has maintained its bond rating of AA by Standard & Poor's on the Fayette County Public Facilities Authority's \$55.250 million Series 2000 Revenue Bonds (Criminal Justice Center Project). Standard & Poor's rating was based in part on continued strong financial performance and position along with the completion of the capital improvement plan. The rating service used the rationale that the rating was appropriate since the County's large tax base continues to exhibit strong growth, the County has maintained high wealth levels, and the median household effective buying income was at 152% of the state and national level. The rating is partly tempered by continued strong population growth, which is expected to necessitate an ongoing increase in County services as well as capital-related expenditures.

MAJOR POLICY CONSIDERATIONS

As the population continues to grow, planning for continued growth will be integral to the County's ability to maintain the desired level of services on a qualitative basis. Studies were conducted and several long term plans were approved during FY 2004. These included long-term planning efforts in the area of transportation as well as a recreation needs assessment. From a policy perspective, these planning efforts will result in significant capital improvement projects to address anticipated service delivery demands over the next twenty-five year time span. The Board of Commissioners will face policy issues regarding the desired level of services, environmental issues, land-use, economic impact, and public financing of these proposed projects. These are some of the major policy issues likely to be modified as the County proceeds toward a long-term planning process.

In addition, the Board of Commissioners recently combined the Comprehensive Growth Management Plan and the Land Use Plan to improve the effectiveness of these two critical planning objectives. Further the Capital Improvement Plan is linked to the Comprehensive Growth Management Plan/Land Use Plan to assure a cohesive planning effort exists between the two plans. These were unanimously approved by the Board of Commissioners. The County is moving to a distinct set of action plans that are developed in unison with each other and are clearly linked to the County's overall mission.

Transportation Planning

The County Commission approved the Final Report of the Transportation Plan Update as prepared by URS Corporation during FY 2004. The report was the final technical study document in a series of technical reports. The study identified current and future travel needs as well as deficiencies in the delivery of transportation services within Fayette County. The plan document describes all the recommended actions including the need for the actions, nature of the recommended improvements, anticipated costs, responsible parties, and the recommended implementation dates. This plan focuses on a time-span over the next twenty-five year period. The real key to transportation improvement over the next quarter century for Fayette County will require a diligent effort to focus on the recommended actions, plan for financing of the identified projects, work with regional partners at the local, state, and federal level to develop a grass-roots consensus of support for the recommended course of action. The Board of Commissioners have approved a resolution calling for a referendum to decide the question of imposing a County-wide one-cent Special Local Option Sales Tax. This referendum is on the ballot for the November 2004 general election. If successful, the proceeds of this one cent tax will be used to fund identified transportation projects.

Recreation Planning

The County Commission approved the Fayette County Recreation Needs Assessment Plan during FY 2004. This assessment was made to provide information needed to direct the provision of leisure space and facilities in Fayette County through 2020. The assessment analyzed data regarding future population growth, existing facilities and recreation facility needs and desires gathered from the citizens of Fayette County. The results of the assessment contained recommendations for the expansion and rehabilitation of existing parks and the acquisition and construction of new parks and facilities to fulfill current and projected needs during both the near term and long term planning periods. The real key to improving recreation services over the next quarter century in Fayette County will be to diligently look for funding sources beyond the current funding provided by the County's General Fund along with strengthening partnerships with volunteer community organizations and other governments within the County. The last portion of the recreation plan will involve planning capital outlays so they will enhance services and meet the programs spelled out in the approved needs assessment. Some examples are the upgrade of lighting at the various sports fields, installation of walking trails, renovation of both concession stands and pavilions and the purchase of playground equipment for various parks. These expenditures will enhance recreation opportunities throughout the County.

Funding is included in the FY 2005 budget to begin implementation of the Recreation Needs Assessment. Included in this year's budget are funds to begin construction of the first phase of the County's newest and largest park located in the northern portion of the County. The facility is currently being referred to as Kenwood Park. The 172 acres of land included in this park will be developed into the largest of the County's recreational parks. It will have fields for baseball, softball and soccer and courts for basketball and tennis. The park will be developed in three phases with a tot lot, pavilion and restrooms in each phase. Groundbreaking will take place early in FY 2005. A new park is included in this funding to be located on Kelly Drive in Peachtree City. Kelly Park is in the conceptual planning stages and will be located at the site formerly occupied by the Distribution Facility of the Water System.

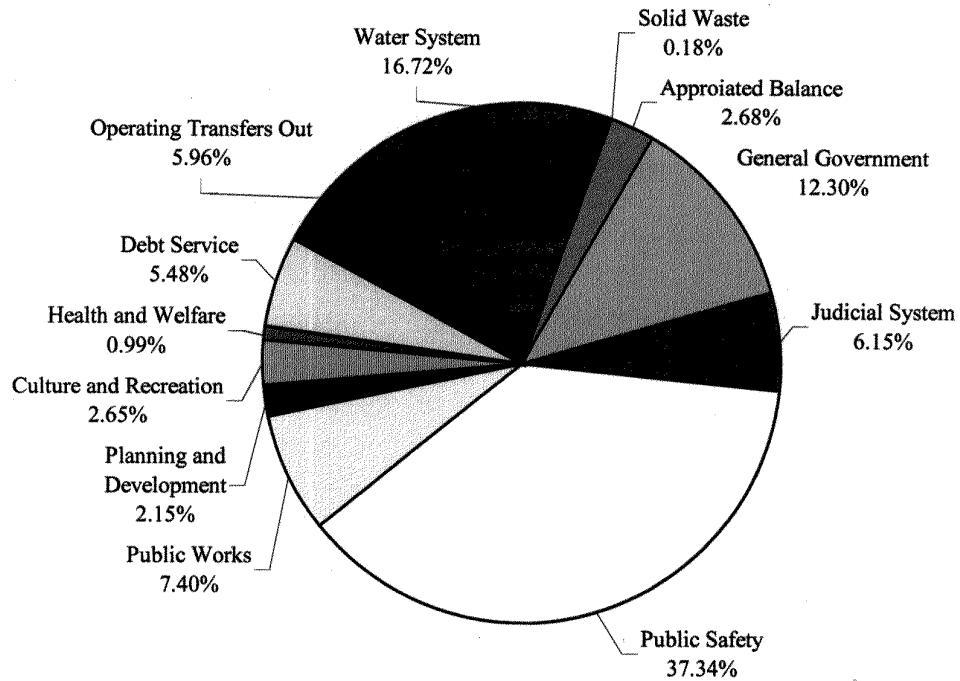
Short-Term Budget Policies

Short-term budget policies for FY 2005 have been established by the Board of Commissioners and are contained in a separate section within the Policies and Procedures section of the Budget Document. These policies are entitled Principal Budget Development Guidelines. The policies include a Revenue section with guidelines for projections, property taxes, user fees, and impact fees. The Expenditure section includes guidelines concerning general direction, additional personnel, vehicle replacement program, computer equipment replacement, and the pay-as-you-go capital improvement plan. The Provision of Services section discusses the full range of County services, Public Safety services, and responsibilities in the budget process. The Fund Balance section provides guidelines concerning maintaining existing fund balances and increasing fund balances.

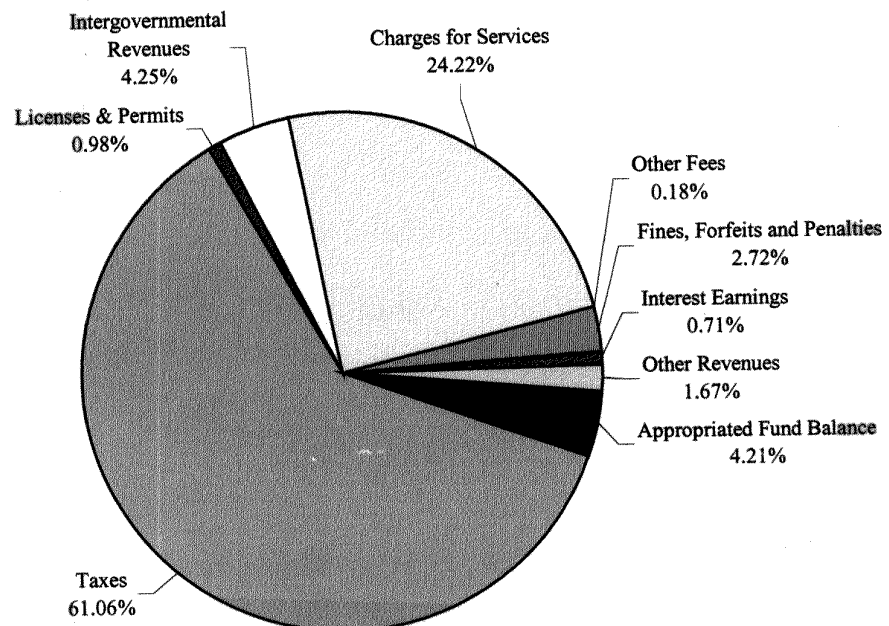
REVENUES AND EXPENDITURES AT A GLANCE

The two pie charts on the preceding page depict major revenues by type and major expenditures by functional area. The first chart portrays major revenue sources: taxes of \$42,754,539; licenses and permits of \$685,000; fines, forfeitures and penalties of \$1,901,800; user fees and charges totaling \$17,343,361, and intergovernmental revenues of \$2,975,481. The second chart represents the largest

SUMMARY OF EXPENDITURES BY FUNCTION



SUMMARY OF REVENUES BY TYPE



expenditures by functional area: Public Safety including fire protection, \$26,150,084; Water System (an enterprise fund), \$11,706,506; General Government \$8,612,673; and Public Works, \$5,182,040.

CONCLUSION

Fayette County will continue to maintain its strong fiscal position for the foreseeable future as a result of years of prudent decision-making and fiscal conservatism. The Board has maintained a high level of service for the public while consistently eliminating waste and unnecessary activity. Any unforeseen emergency can be met with the County's more than adequate fund balances. The County consistently meets or exceeds its revenue expectations and rarely exceeds expenditure estimates. From an organizational standpoint, Fayette County has positioned itself to lead the Metropolitan Atlanta area in innovation, fiscal conservatism and quality of life.

Respectfully,



Chris W. Cofty
County Administrator

SERVICES PROVIDED BY THE COUNTY



The County provides a full range of services to its citizens. These services include police and fire protection; emergency medical services; court systems; library services; the construction and maintenance of highways, streets and infrastructure; tax assessment and collection; planning and zoning; recreational activities and cultural events; and inherent administrative and support activities. The County provides the majority of these services since fiscal responsibility has been affixed at the local level by State statutes. However, in keeping with the terms of their individual charters, the cities and towns have chosen to provide some of the above services to their citizens as part of their operations.

The County also operates a potable water distribution system and a solid waste management system. The Water System was established in 1966 and serves approximately 25,071 customers in the unincorporated areas of the County and through the County-owned distribution systems of the City of Peachtree City and the Towns of Tyrone and Woolsey. The Water System also wholesales water to the City of Fayetteville and the Town of Brooks pursuant to wholesale water contracts, which expire in 2034 and 2024, respectively.

PROFILE OF THE COUNTY

History

Fayette County, established in 1821, is a body corporate and political organized and existing under the Constitution and laws of the State of Georgia. Fayette County was the 49th county created in the state and was formed from parts of the Creek Indian Territory. The County and the City of Fayetteville, the county seat, were named for the Marquis De LaFayette, one of General George Washington's lieutenants in the Revolutionary War.

Demographics

Fayette County is bordered on the north by Fulton County with Atlanta as its county seat, on the east by Clayton County with Jonesboro as its county seat, on the south by Spalding County with Griffin as its county seat, and on the west by Coweta County with Newnan as its county seat. Incorporated communities located within the County include Fayetteville, which is the County seat; Brooks; Peachtree City; Tyrone and Woolsey.

Encompassing about 199 square miles, it is one of the smaller counties in the State in area. It is located in the northwestern part of Georgia, situated about 15 miles south of the Atlanta city limits and is considered an integral part of the Metro Atlanta area. From a long-range planning standpoint, it is a member of the Atlanta Regional Commission.

In looking at its demographic statistics, Fayette County is considered for the most part to be a suburban community. About 50 percent of its residents live in incorporated cities and towns. Fayette is the Atlanta region's third least densely populated county, with 0.79 people living per acre of land. The average household size is 2.93 and nearly 83.2 percent of housing is defined as single-family structures.

of land. The average household size is 2.93 and nearly 83.2 percent of housing is defined as single-family structures.

Fayette County exhibits some excellent physical characteristics, in terms of climate and geography. Average rainfall for the immediate area is 48.61 inches per year, and average temperatures range from a high of 87 degrees in the summer to a low of 34 degrees in the winter, with a year round average temperature of 61.4 degrees. The area is decorated with dogwoods and azaleas blooming in the spring and a colorful change of leaves in the fall. The general terrain of the area is characteristic of the Piedmont region of Georgia, with hills with broad ridges, sloping uplands and relatively narrow valleys. Land elevations within the County range from a low of 720 to a high of 1,005 feet above sea level.

Election Districts

The redistricting plan drawn by lawmakers in 2001 was tossed out as a result of a lawsuit filed by Republican activists. New court ordered redistricting maps, drawn independent of the Georgia Legislature, were signed off on by a three-judge panel on Thursday, March 25, 2004. The three judges ordered the state to "promptly implement" the maps for elections held in 2002. This new map allows Fayette County to remain in the 8th and 13th Congressional Districts. Citizens of the County will be in either the 16th or 34th State Senatorial Districts and the 66th, 72nd, 73rd, 74th and 77th State House Districts.

Transportation

Another important attribute of Fayette County is its location in relationship to major transportation modes, with ready access to several different methods of conveyance. The County is strategically located in proximity to three major interstate highway systems, I-75, I-285 and I-85. In addition, several principal arterial roadways, such as State Highways 54, 74, 85, 92, 279 and 314, pass directly through the County. Citizens also have fairly easy access to the public transportation systems, which serve the immediate Atlanta area. From terminals located in the southern part of Fulton County, travelers can take advantage of the trains and buses operated by the Metropolitan Atlanta Rapid Transit Authority (MARTA). For a very reasonable fare, MARTA offers residents the alternative of an easy, quick commute to Downtown Atlanta or to the various sports venues. And from the private sector, the Greyhound Bus Lines operates a local terminal in nearby Hapeville.

Other transportation needs can also be easily accommodated. For any business needing to move freight, there is direct railway service, which is provided by CSX Railroad. In addition, Amtrak has passenger trains, which pass through nearby Atlanta. For international shipping, Savannah, Georgia and Jacksonville, Florida serve as major deep-water seaports, which can be easily reached by interstate highway in a matter of hours. Hartsfield-Jackson Atlanta International Airport, the world's busiest, is located only about 15 miles to the north and Falcon Field Airport which is located on the western fringes of the County serves as a local public airport for light aircraft including small jets.

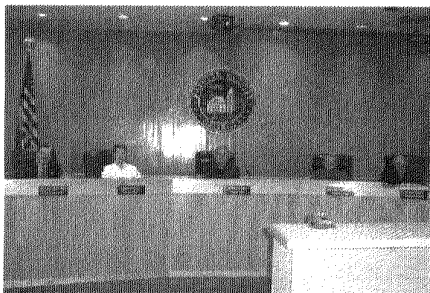
Diverse Lifestyles

In spite of its relatively small size in terms of area, Fayette County offers its residents a diverse menu of lifestyles, amenities and opportunities. Peachtree City, a planned community situated in the western part of the County, is widely known as a family-oriented locale. This City features three golf courses, two large lakes, 80 miles of golf cart paths, a 2,000 seat amphitheater, a state-of-the-art championship tennis center, an indoor swimming complex and numerous other recreational facilities. The majority of industry in the County is located in a nearby industrial park.

Fayetteville, the County seat, boasts of its Main Street Program aimed at recognizing the rich history of the City's downtown area and ensuring that much of the small town flavor and architectural designs of the past are maintained. And with street names like Stonewall, Beauregard, Lee and Jeff Davis and buildings such as the Doc Holliday House, one can't help but feel surrounded by history.

For those in search of a more pastoral environment, the Towns of Brooks and Woolsey, located in the southern portion of the County, generally require a minimum residential lot size of five-acres. In Fayette County, one can find a high-tech industrial complex and an airport located just a few minutes drive from cattle farms, woodlands full of deer and turkey, and a historic water mill.

GOVERNMENTAL STRUCTURE



The governing authority of Fayette County is a Board of Commissioners consisting of five elected members. The commissioners serve on a part-time basis and are elected to staggered terms of four years. While all five commissioners are elected at large, three must come from the different road districts within the County. At their first meeting each calendar year, the Commission Chair and Vice-Chair are selected by the Board.

In their policy-making capacity, the Board of Commissioners is authorized to perform the following functions:

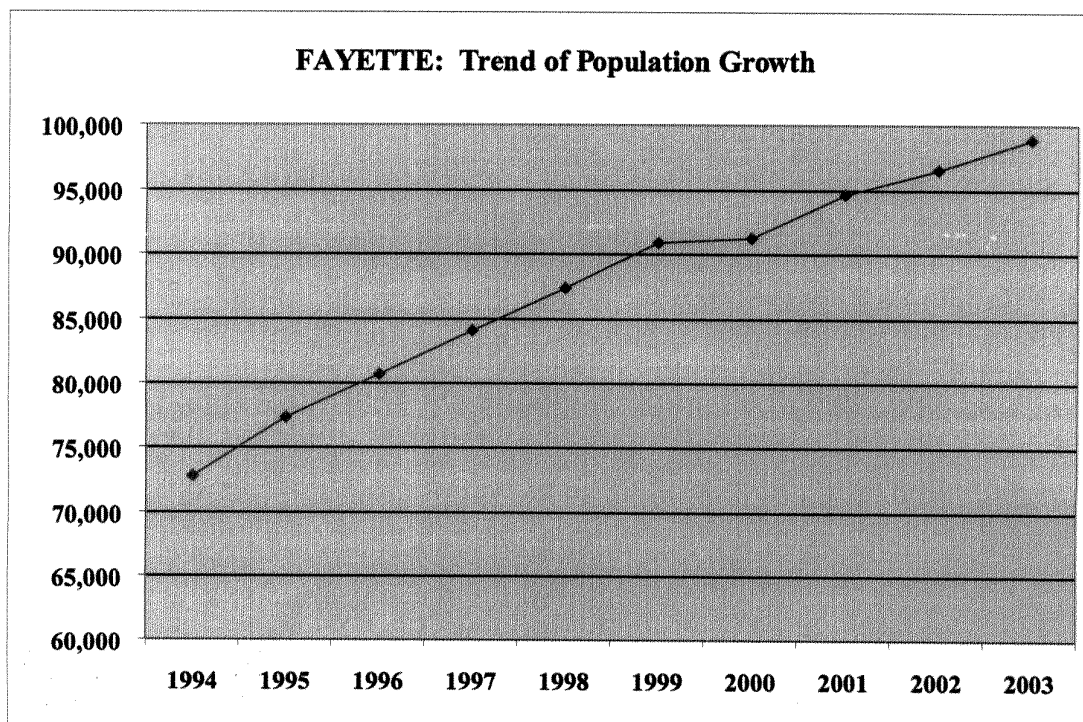
- 1) levy taxes;
- 2) direct and control all property of the County;
- 3) establish, alter or abolish roads and bridges;
- 4) fill vacancies in County offices unless others are empowered to do so;
- 5) examine, settle and allow claims against the County;
- 6) examine and audit the accounts of all officers having the care, management, keeping, collection or disbursement of money belonging to the County;
- 7) establish the costs of licenses; and
- 8) make such rules and regulations as necessary for the protection and preservation of health, safety, welfare and morals.

The Board of Commissioners appoints the County Administrator who serves as the County's chief administrative officer (CAO). The County Administrator is then responsible for the daily operations of all County functions in accordance with the policies of the Board of Commissioners.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

Fayette County continues to benefit economically by being an integral part of one of the top growth areas in the United States. The Metropolitan Atlanta region represents one of the nation's primary transportation and distribution centers as well as being a major financial and consumer services leader. For those counties located on the south side of the Metro Area, Hartsfield - Jackson International Airport is considered to be one of the more important economic engines. The total airport payroll is \$2.4 billion, resulting in a direct and indirect economic impact of \$5.6 billion on the local and regional economy. The total annual regional economic impact of the airport is more than \$18.7 billion. The airport has been authorized to spend an impressive \$5.4 billion toward a 10-year development program. This will modernize and expand the current airport facilities to accommodate its current and future traffic demands. One of the major projects currently underway is the TSA Baggage Screening Project which will call for the construction of two underground facilities, one at the North and South terminals, to electronically screen checked baggage in an automated manner. The tentative schedule for completion of this work is by mid October 2005. In order for the airport to meet the increased demand for air travel and reduce current delays, the need to build the new 9,000 foot Fifth Runway (Runway 10/28) became paramount. The runway is scheduled to be commissioned in May 2006. Georgia's geographically central location for domestic distribution, excellent surface transportation system, telecommunications infrastructure and proximity to major consumer markets make the state an excellent base for air cargo operations.

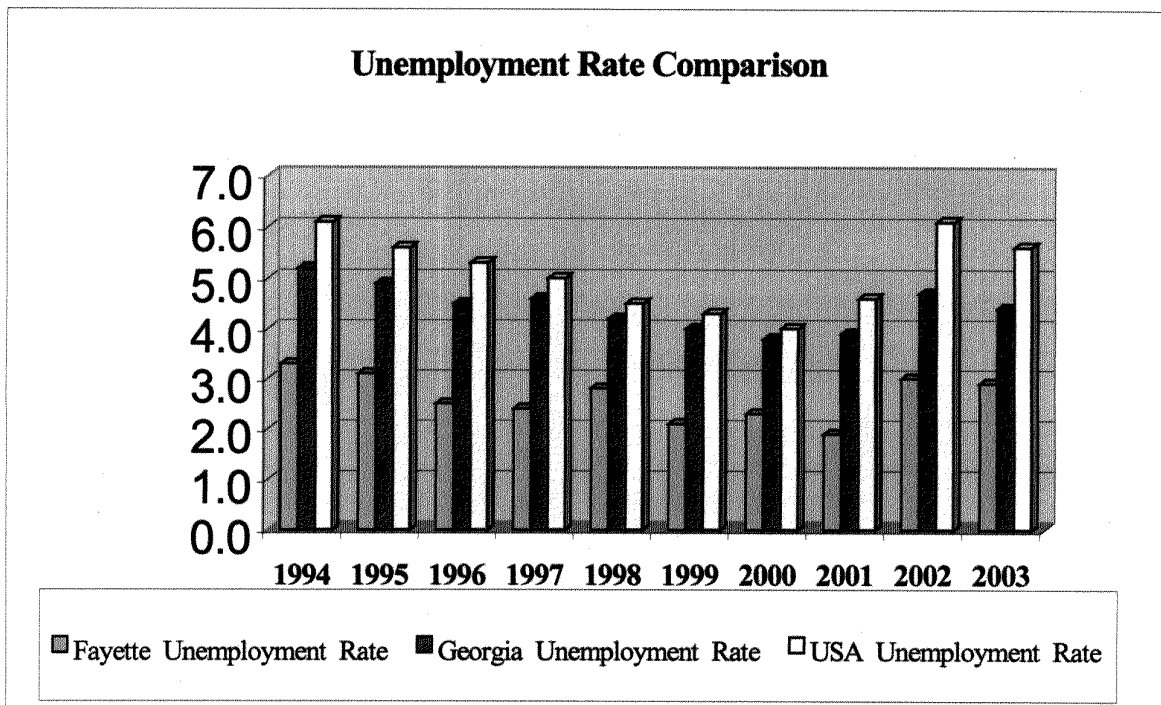
The quality and quantity of services provided by the County to its residents are second to none. The Fayette County schools have been awarded a Gold Medal by Expansion Management Magazine—a rating of 2,800 secondary school districts throughout the U.S. with an enrollment of at least 3,500. The schools were just one of only two districts in the state to receive a Gold Medal. Also in Fayette County, one will find the one of the lowest crime rate in the Metro-Atlanta area, and an efficient County government with one of the lowest millage rates and service costs per capita in the State. Each of these quality-of-life factors combine to make the County an extremely attractive place in which to reside.



In the not too distant past, Fayette County was being touted in various publications as Metropolitan Atlanta's "Best Kept Secret." More recently, the County has become well known, not only regionally, but nationally, as an ideal place in which to live and to work. Fayette County has also been referred to as "Atlanta's Crown Jewel" and "one of Georgia's premier counties".

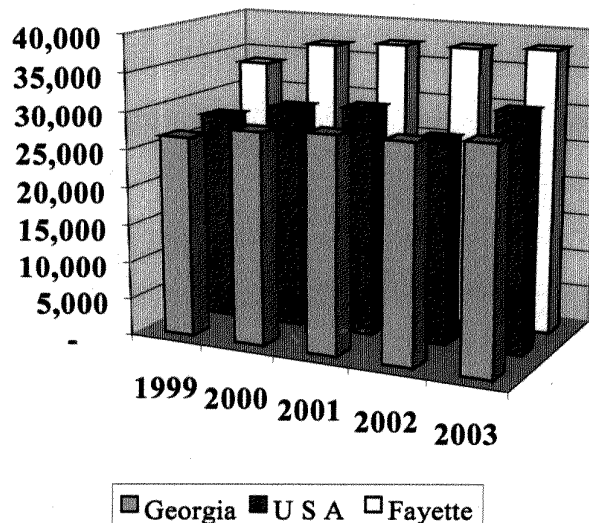
The attractiveness of Fayette County as a place to live has not just received lip service from people. According to the 1980 census figures, Fayette County had 29,043 residents and was the forty-third most populous county in the State of Georgia. Results from the 2000 census indicate that the number of citizens had risen to 91,263. Based on the current trends, the Atlanta Regional Commission estimates that the population of the County will be 133,100 in 2010 and 174,100 in 2020.

In terms of productivity, Fayette County is extremely blessed to have a labor force that is very diverse, is well trained and has many marketable skills. More than 68 percent of our current residents 25 or older have attended some college or have attained up to a graduate degree. The average SAT scores at local high schools are well above the national average. One of the County's high schools had the fifth best SAT scores in the state according to recent data released by the State Superintendent. The superior quality of our workforce is supported by the monthly statistics prepared by the Georgia Department of Labor (DOL) which indicate that the County consistently has low unemployment rates. This is demonstrated by the chart below comparing the unemployment rate for Fayette County, the State of Georgia, and the United States for the last ten years.



As one might suspect from having such a significant percentage of residents permanently employed, the citizens of Fayette County are among the more affluent in the country. The graph below compares the Personal Per Capital Income of the residents of Fayette County with those of Georgia and the rest of the nation for the last five years. Because of the previous four years of unparalleled economic expansion in the Southeast, it is interesting to note that the per capita income the Georgia now exceeds the national average.

Personal Per Capita Income



As the population and number of skilled workers have continued to grow over the years, the demographics are now such that businesses are being attracted to the area in increasing numbers. And with the arrival of each new business, additional employment opportunities and spendable income are created in the County. It is also important to note that the business climate in Fayette County is conducive to sustained, quality growth. The Fayette County Development Authority has formed a partnership with six other adjacent counties-Metro South- for the specific purpose of promoting regional development. Recently, a citizen's committee in concert with staff has been reviewing all of the County's ordinances in an attempt to eliminate unnecessary regulations and streamline the necessary processes. To help encourage residential development, a one-stop building permit process has been developed in-house.

Another very important attribute to the immediate area is that Atlanta's industrial diversity insulates the region against upheavals in a single market or decisions by a few major employers. Even with the increasing pre-eminence of the services sector of the economy, no single sector accounts for as much as 30 percent of the region's employment. Added benefits of recent growth include the availability of more high-quality products, services and talent. A critical mass of skilled workers in a variety of technical fields encourages innovations and entrepreneurship. The growth of several major research universities has also helped to foster economic development in the area.

On the retail front, the Fayette Pavilion project located north of Fayetteville on Highway 85 opened about six years ago. Sitting on a 110-acre site, the new shopping center has brought to Atlanta's south side the hottest trend in retail - the power center. Home Depot, Target, Rhodes Furniture, Goody's, Wal-Mart Superstore, Marshalls, Old Navy, The Sports Shoe, Sports Authority, Office Max, Publix Grocery Store, Belks, Shoe Carnival, Men's Wearhouse and PetsMart are just some of the larger retail businesses which have opened in the initial phases. The second phase of the center has seen the opening of Ross, Casual Corner, and Kohl's department store.

And as draws for the non-shoppers, there are several restaurants, two coffee shops, and a seventeen-screen movie theater. The new power center is really proving to be a retail development magnet as additional businesses are seeking to become part of the project or to locate nearby. Across Highway 85 from the Fayette Pavilion is the Uptown Square shopping center with a Barnes & Noble bookstore, Linens & Things and a Ruby Tuesday restaurant. Kinko's, Lowes, Office Depot and Hi-

Fi Buys are examples of other new businesses which have already chosen to open in close proximity to the Fayette Pavilion.

However, the retail growth that is occurring isn't confined to only this one location. On the south side of Fayetteville, the Towne Center shopping center opened in early 1999. This commercial site offers the convenience of a large grocery store, an auto repair shop, a bank and several restaurants as well as other retail and service stores. Soon to open across the street is another large grocery store as well as other restaurants, several banks and other retail and service stores accessible to residents of the southern parts of the County. During fiscal year 2003 Fayetteville saw the grand opening of the Villages Amphitheater, a 2,000 seat amphitheater owned by the Downtown Development Authority and run by the Main Street Tourism Association. This is a part of a large multi-use upscale residential and commercial development under construction near the center of the City. It is anticipated that the three private builders will construct multi-family, condominiums and large single family dwellings. There are plans for additional commercial development and a soon-to-be built Hampton Inn Motel along Highway 54 near this project.

In Peachtree City, the Kedron Village shopping center has grocery and retail stores, several banks, specialty shops and restaurants. Retail growth continued to boom with the opening of The Avenue, a \$30.7 million, 178,000 square foot shopping center. Stores at this location include Ted Turner's Montana Grill, Gap, Gap Kids clothing store, Talbots, Jos. A. Banks, Williams-Sonoma, Harry's In A Hurry specialty foods, Victoria's Secret, and Banana Republic. Home Depot and a Wal-Mart Superstore have recently opened and are in close proximity to this retail site.

Much of this retail growth is simply a reflection of the additional buying power of the new residents and commuter employees associated with those businesses who are moving into the County. Cooper Industries, one of the world's largest lighting manufacturers, opened its 485,000 square foot service and distribution center in 1996. This Cooper Lighting facility is both a service, as well as distribution center, and has more than 500 employees and represents a \$25 million investment situated on 60 acres. During 2003, Cooper Lighting announced the relocation of the headquarters of the Cooper Wiring Devices Division to Peachtree City in a move, which will require the construction of a 60,000 square-foot expansion to the existing facility and the addition of approximately 95 to 115 positions. Other local businesses include Southern Motor Carriers, the nation's leading provider of data software and technology solutions for transportation pricing, and Lawson Mardon Packaging. Three aviation service support industries have recently relocated or have constructed new facilities in the Peachtree City area. Gardner Aviation built a small aircraft parts distribution center. Aventure Aviation has moved into an existing warehouse near Falcon Field in Peachtree City to operate a sales and distribution center dealing primarily with international imports and exports. Also near the entrance to Falcon Field is Aircraft Spruce and Aviation who also built a center for distribution of parts for small private aircraft. Other examples of relocating career opportunities to the local area is the Federal Aviation Administration (FAA) Traffic Control's facility, a \$66 million investment, and the Atlanta Office of the National Weather Service which houses both the Weather Forecast Office as well as the Southeast River Forecast Center. Both are located in the Peachtree City area.

In summation, Fayette County is located in a growing local area and region with economic vitality and favorable prospects for the immediate future. While having a positive impact on the quality of life, this growth also presents significant challenges for Fayette County and its leaders. If the present high level of services is to be maintained for future citizens moving into the County, then Fayette County will need to continue to utilize new and innovative methods of ensuring economic prosperity and growth.

MAJOR INITIATIVES FOR FY 2005 AND THE FUTURE



For the Year. In preparing the 2005 fiscal year budget, the County was faced with hard challenges in regard to determining the proper balance between service delivery issues, financial stability, infrastructure needs, taxpayer demands. At the same time that Fayette County was experiencing rapid population growth and a higher demand for services from its citizens, the majority of taxpayers were asking for lower property taxes. Also, there was some uncertainty about the future operating environment. As

part of the revenue side of the funding equation, some economists were projecting a slow economic recovery from the current conditions. In terms of programming personnel expenditures, which is the largest single component of the budget, the low unemployment rate and scarcity of trained workers in the Metro-Atlanta area had combined to push starting salaries higher and higher.

With those basic operational pressures in mind, a conservative approach was taken in the preparation of this year's budget with increases in annual appropriations limited to the amount that was expected to be generated from the normal growth in revenues. The Board of Commissioners was also faced with a number of funding decisions concerning capital improvement projects that needed to be undertaken. In concert with these issues, certain basic parameters guided the development of the FY 2005 budget and enabled the achievement of these important goals:

- ☛ Maintaining the equity of the employees' compensation and benefit package with the current labor market,
- ☛ Maintaining a stable property tax rate in support of Maintenance and Operations (M&O) millage rate,
- ☛ Funding the continued expansion of the Water System,
- ☛ Continuing the Vehicle Replacement Program,
- ☛ Improving the County's roadways,
- ☛ Continuation of the alternative fuel program for County vehicles,
- ☛ Enhancements in the Public Safety area,
- ☛ Setting aside monies for the funding of a capital improvements program,
- ☛ Maintaining the fiscal ability to provide for service level increases in response to service demand,
- ☛ Optimizing the use of new technologies and training,
- ☛ Adhering to prior financial commitments, and
- ☛ Minimizing the "Cost of Government" to the citizenry while continuing to be responsive to their needs.

Unquestionably, the most important asset of Fayette County is its employees. As part of the adopted personnel policies and procedures manual, the Human Resources Department is required to periodically compare the County's compensation and benefits package with those of

the surrounding market. These external benchmarks are needed to insure that Fayette County is paying its employees a salary that is commensurate with the specific duties being performed and in line with other governmental agencies as well as the private sector. The implementation of the findings from these periodic salary comparisons help guarantee that the County can hire and retain qualified employees.

A study conducted in 2002 by the consulting firm MGT of America, Inc. found that our salaries were below the market in several categories. As a result of this study, the Board of Commissioners provided funding necessary to correct the identified salary and wage deficiencies. In addition, the Board has an adopted policy to adjust compensation levels at the beginning of each fiscal year in order to keep employees salaries at a competitive level in those years between studies. Since the fiscal year 2001, our salary tables have been factored on an annual basis by a percentage which approximates the financial impact of inflation on our employees' buying power. The annual increase in the Consumer Price Index (CPI) are used as the multiplier factor to help keep our starting salaries more in line with the existing market. The percentage was 1.6%, 2.4 and 1.9% in FY 2003, FY 2004 and FY 2005.

Coupled with this new cost-of-living-allowance (COLA), the Board also made some changes to the annual employee review process. The goal of the Commissioners was to have annual merit raises provide a better reflection of the individual efforts of each worker. Basically, the Board wanted to reward those employees who were the most productive with the largest raises. To achieve that objective, the evaluation instrument that was used to evaluate the performance of employees was restructured to reflect a more objective measurement of how well assigned duties were being performed. Based on the numerical results of their annual performance evaluation, employees would receive raises which would range from 0% to 5% in 1.25% increments.

The Board of Commissioners at the planning retreat for the FY 2005 period agreed, based on staff's recommendation, to allow departments to request additional authorizations for new positions or new programs requiring additional staff. The request had to be accompanied with clear documentation that included justification in specific, measurable, attainable and verifiable terms for the request. The job responsibilities and duties must be enumerated and the value added of the position, if authorized, and the impact, if the position is not added, must be disclosed. Departments were asked to show the rationale behind the decision to request additional personnel and also to show that alternative were considered such as (1) job processes were reviewed, (2) additional use of technology, and (3) determining if the need for the position is permanent or if the demand for this position is elastic and changing and would be better filled by someone part-time.

For a number of years, Fayette County has prided itself on being one of the most efficient and effective governmental units in the country. The Georgia Department of Community Affairs (DCA) prepares a report each year comparing expenditures by function for all counties and municipalities in the State of Georgia. This study generally places the County in the lowest expenditure per capita category in the delivery of services. The high productivity of our employees and reliance on cutting edge technology also allows the County to have one of the lowest millage rates in the State.

To maintain this "competitive" edge, the Commissioners have encouraged the utilization of new technologies and innovative ideas for conducting business. Modern personal computers,

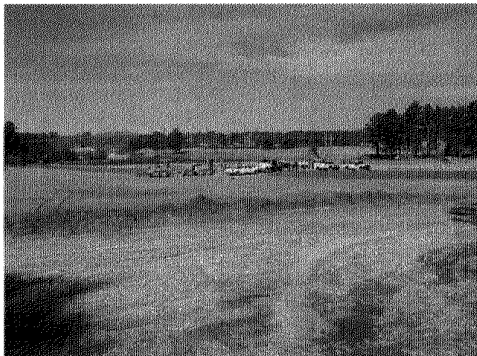
laptops and terminals connected to the mainframe can be found throughout every office. Voice mail, e-mail, citizen information boxes, and other telecommunication improvements have been initiated to help employees make more efficient use of their time.

An example of the County's commitment to technology are expenditures by the Water System over the last several fiscal years to replace all of the old water meters to radio read meters and installing a transponder and antenna for each. The entire conversion process will take four years to complete and will cost approximately \$3.5 million. When completed, this new technology is expected to greatly decrease the amount of time that it takes to read meters and increase the accuracy.

The Geographical Information System (GIS) was implemented in its first stages during the FY 2000 period. The Tax Assessor's Office began by updating and upgrading of map information and creating digitized information about its infrastructure and other attributes of real property. A GIS Committee has been organized to integrate and centralize the various programs and databases into a single powerful system. The current system needs to be improved in order to advance beyond the limitations of the current database and software/hardware environment. The core committee is made of members from various departments, which include Information Systems, Planning, Tax Assessors and the Fire Department. They have identified a central database application as the highest priority for advancing to a modern GIS. The budgets for these departments for FY 2005 include hardware, software and training for their portion of the overall upgrade to the GIS program. It is expected that the GIS will be an ongoing enterprise that will continue to serve the public, the departments County-side as well as our elected officials. We need to maintain what we have in place and to continue to build on this foundation.

Funds were again included in the FY 2005 budget to provide training opportunities for the purpose of updating employees on the use of popular software packages such as Windows, Powerpoint, Word, Excel, Outlook and Access. To ensure that our employees take advantage of these classes, they are required to have a certain number of training hours each year. Edward Demmings, the forefather of modern business thought, summed up the County's strategic plan best when he said, "Work smarter, not harder".

As new residents continue to move into Fayette County, they bring with them an immediate impact on traffic flows. With each additional vehicle on the road, the potential for problems to develop increases as traffic counts begin to exceed existing road design capacities and intersections become overcrowded. In terms of identifying and helping to place priorities on



needed road projects, the Sheriff's Office has proven to be of invaluable assistance by tracking the number, severity and cause of accidents and even recording actual traffic flows at various trouble spots around the County. These public safety driven criteria have helped the County identify, prioritize and determine funding of needed road projects. During the 2005 fiscal year, the Road Department has identified 5 major road projects totaling \$587,850. Other road projects which were included in the County Transportation Plan Study are included in the approved Capital Improvement Program out beyond the current year totaling \$36,747,330. This includes roads, bridges, intersections and approximately 20 miles per year of road resurfacing. A large portion of this work is dependent

on voter approval of the Special Local Option Sales Tax which will appear on the ballot for the November general election.

The Water System held the official dedication for the completion of the Lake Horton Reservoir in 1996 which culminated the nine-year period that it took to acquire the various State and Federal permits and then to actually acquire the site and construct the impoundment. Located



in the southern portion of the county between the towns of Woolsey and Brooks, the Lake Horton project cost approximately \$18 million to construct including the acquisition, construction of a 783-acre reservoir and the raw water lines needed to get the water to the Crosstown Water Treatment Plant. Lake Horton provides the County with a raw water storage capacity of 3.4 billion gallons and the ability to remove about 14 million gallons a day for treatment.

Lake Horton also serves as a valuable recreation site for the southern end of the County. The FY 2005 budget of the Water System includes funding for additional enhancements to the recreation portion of the lake. These include the installation of a boating facility and tot lot, paving of more walking trails, and park furniture. The Water System also has budgeted funds for similar recreational enhancements at both Lake Kedron and Starr's Mill.

The Water System completed construction of a two million gallon water tank on Highway 92 North during FY 2002 providing much needed additional storage capacity and During FY 2003, the Water System completed construction of a two million gallon water tank on Highway 85 at Ellis Road.

Because of the rapid pace of growth that has occurred in Fayette County in recent years, citizens have become more and more cognizant of the additional costs that are associated with the upgrading of facilities and infrastructure necessary to provide the same level of superior service to new arrivals. To address this situation where the current residents are being forced to help pay for those capital expenditures incurred due to influx of new citizens, the Board decided to implement the collection of impact fees for new construction. After submission to and receiving final approval from the Department of Community Affairs, during FY 2001 the County began collecting these fees from developers which approximate the financial impact of each new resident on the capital budget. These fees are being used to offset the cost that have been incurred for construction of fire stations. Over the last four budget years, the County has build four stations which not only replaced antiquated, outmoded facilities but were built on sites that should improve emergency response times in those areas.



Because of their significant impact on the annual budget and their importance in the

delivery of effective services, the County began treating motor vehicles differently than other equipment during FY 1998. In lieu of budgeting replacement vehicles as part of the normal operating budget each year, all of the participating departments are assessed an amount equal to one year's depreciation on their fleet. These monies are then transferred to a separate fund where they will accumulate and be invested until such time as they are needed to purchase the replacement unit. In June of 1998, funds in the amount of \$3.95 million were transferred to cover the depreciation of the existing fleet which was associated with prior periods. Funding of this program is provided in the FY 2005 budget.

For the Future. It has been said that several of the factors which influence an individual's choice to reside in a particular place include the availability of services in the area, quality of life considerations, and community identity or image. The County is taking a proactive stance in addressing each of these three considerations. Enhancing the existing quality of life, creating a positive image for the County and engendering pride in the Fayette community continue to be a large part of the strategic plan of the Board of Commissioners. The transition of Fayette County from its rural heritage into a dynamic suburbanizing community requires careful planning and implementation of a comprehensive strategy designed to maximize governmental resources. It will not be an easy task to find the necessary funding to provide quality services for the additional 40,000 residents expected to relocate here over the next ten years. However, the Board and staff are strongly committed to finding the best possible solution to this perplexing problem. As mentioned earlier, one very significant down side of rapid population growth is its adverse impact on the adequacy of facilities. As the demand for services increases over time, it results in making the existing plant obsolete. As more and more residents have moved to Fayette County each year and new businesses have opened their doors, it has placed a severe strain on the County's ability to safely house the current number of individuals that must be incarcerated. The County's judicial system had also grown to a level which made the Courthouse Annex facility inadequate to house all of the court functions. The system had become inefficient and confusing by having various courts and related prosecutorial agencies located in buildings scattered near the Annex. .

The Board concluded that there was a need to increase the number of cells at the jail and to construct a new judicial complex to house all the various court functions. The board not only understood the need to optimize the utility of the existing structures but to also make plans for future needs as well. The County began to acquire several additional properties adjacent to the 33 acres of land that it already owned off Jimmy Mayfield Boulevard in FY 1999. Seven parcels totaling 21 acres were acquired at a total cost of \$1.4 million. A new 66-acre tract was created once the new parcels were acquired.

For long-range planning purposes, this site has been identified as the future home of all Fayette County government offices and should be sufficient in size to serve all of the citizens (i.e., approximately 200,000) that are expected to live in the county at the time of build-out. A site plan has already been developed for the entire parcel which identifies the location of all the buildings that could eventually be constructed as part of the governmental campus. For example, specific sites on the tract have been identified and set aside for a new Senior citizens Center and a future Administrative Offices building. This "total project" approach ensures that the location of water and sewer lines, roads, utilities and parking lots is optimal.

In June of 2000, Fayette County entered into a lease-purchase agreement with the Fayette County Public Facilities Authority (PFA) for the construction of the new criminal justice center.

As part of this funding arrangement, the PFA issued \$55,250,000 in revenue bonds and the County agreed to make annual lease payments in an amount equal to the debt service on the bonds. This method of financing was selected to be the most cost effective alternative for our citizens. Construction began in FY 2001 with the courts moving into the new facility in the spring of 2003.

One component of the criminal justice center project consists of the expansion of the existing County jail to provide an additional 384 beds. With the addition of two new pods or



units, housing classification was divided into a cell-type medium security housing 192 beds and a dormitory-type, minimum security housing an additional 192 beds. To facilitate the level of care that is required for a growing inmate population, a new 61,500 square foot jail support building was also constructed to manage the daily activities within the jail facilities. These jail support functions include intake and booking, bonding visitation, inmate property storage, central control, medical and dental examination,

infirmary, kitchen, laundry, public access and visitation, record storage, administrative offices, and inmate transfer and release.

The second major component of this project was the construction of a new three-story, 150,000 square foot courthouse. The new building was constructed to house all of the existing County court facilities within the lower two floors of the facility. The third floor will be available for future internal expansion. The existing courthouse annex is being renovated and will be used to house the various departments of the Sheriff's Office.



In planning for the long-range future, one physical attribute that carries with it the potential for severely limiting growth in Fayette County has been the lack of a major source for the provision of potable water. The construction of Lake Horton and the South Fayette Water



Treatment Plant have addressed this particular problem especially in the short-term. But with the population growth that is expected and the amount of time it requires to permit and construct a new reservoir under the existing laws and regulations, it is imperative that the County adequately plan for this rapid growth years in advance of it actually occurring.

The major problem faced by the County in this service delivery area is that there are no rivers with significant flows that pass directly through the County. Suitable reservoir sites are limited because of the existing development and the relative flatness of the surrounding terrain which results in shallow ponds and lakes. In spite of these site limitations, the Board of Commissioners is continuing to plan and take all the necessary steps to ensure an adequate water supply for the future.

Situated in the southwest part of the County, the proposed source of water, Lake McIntosh, will be built on Line Creek which separates Fayette County from Coweta County to the west. This impoundment will cover about 642 acres and will have an estimated capacity of

eight million gallons per day available for treatment and distribution. As of this date, all the necessary property at a total costs of \$1,668,000 has been acquired for the future construction of Lake McIntosh. By acquiring all of the needed land and easements now, the County is assured that any future development will not impact the availability of this site.

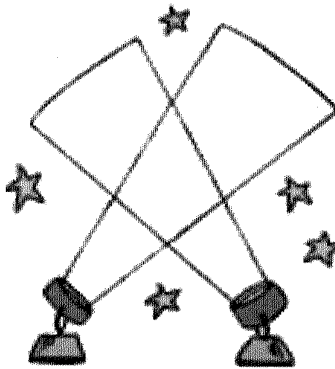
During recent fiscal years, the Board of Commissioners approved initiating the formal process required to obtain a 404 permit from the Corps of Engineers to build Lake McIntosh. A project team has been assembled and the basic site plans for the dam and spillway are complete. The Water System continues to deal with roadblocks from groups and organizations such as the Corp of Engineers, U.S. Fish and Wildlife, Georgia EPD as well as environmental groups such as Sierra Club and River Keepers. The wetland mitigation consultant is currently evaluating sites for restoring and enhancing wetland areas that will be impacted by the new impoundment. Once complete, the reservoir is expected to provide for the growing County's need for surface water well into the twenty-first century.

Several years ago, the Federal Communications Commission (FCC) made the decision to sell certain 800 Mhz radio frequencies that had not been designated solely for public safety use. The County happened to have one of those frequencies and is the process of auctioning it off to the telecommunications companies. The E-911 function has acquired one of the new 821 Mhz frequencies which have been allocated for public service use. The new system has required that all existing radio equipment have the capability of transmitting and receiving on the new frequency. In addition, the County has had to add several transmission towers because of the smaller coverage area effected by the radio signals under this technology. As part of the 800 Mhz bidding process, the successful bidder will be required to financially assist the County with making the move to the new frequency.

One issue that has the potential to have a significant impact on the operations of Fayette County is House Bill 489. This piece of legislation which was passed by the Georgia General Assembly is intended to reduce the amount of service duplication on the part of local governments and to look at the issue of double taxation. The bill requires all local jurisdictions to examine how its various services are delivered, determine the cost of delivering those services and evaluate who pays for them. The ultimate goal of these discussions is to minimize the cost of services to the taxpayers. During the past fiscal years, the County and the municipalities reviewed each of its services and prepared a service delivery analysis which was accepted by the Department of Community Affairs.

Through the requirements of this piece of legislation, jurisdictions are being encouraged to at least look at what could be achieved through better coordination of their service efforts. After examining the advantages and disadvantages of the possible service delivery options, such as consolidation of services, intergovernmental agreements, joint service delivery or the status quo, some progress has been made in making the operations of our local governments more efficient. However, this exercise also brought into focus the inherent differences between the way that the various entities' elected officials and staffs view revenues and services. The decisions that ultimately come out of this process will go a long way in determining how Fayette County operates in the future and what services it will continue to provide.

ANNUAL DEPARTMENT SPOTLIGHT



Public Works Department

As a part of our financial report each year, Fayette County selects one of its many departments to highlight for its efforts and accomplishments in servicing our constituents. Unfortunately, we have discovered that many of our citizens are simply not aware of the scope and quality of the services that are being provided with their tax dollars. And unless you happen to be an elected official or employee of the organization, there are few opportunities for an individual citizen to familiarize themselves with the day-to-day operations of the various County departments. The annual department focus provides a much needed avenue for explaining what we do as well as publicizing some of the achievements of which we are very proud. With the recent approval by the Board of Commissioners of the final report of the Transportation Plan Update as prepared by URS Corporation, we felt that it would be appropriate to place the department spotlight on the Public Works Department. The Board of Commissioners also approved a resolution calling for a Special Purpose Local Options Sales Tax Referendum to be placed on the November General Election Ballot. If the voters pass this referendum, the County will impose a 1% sales tax to be used to fund the County's required matching portion of the approved road plan. Since the Public Works Department will play a critical part in implementing this plan and will coordinate with all the various governmental agencies and with meeting the various legal requirements, we have selected the Public Works Department for this year's review.

Introduction

The Public Works Department provides leadership and administrative support for the Fleet Maintenance and Road Departments. The current director is Lee Hearn, P.E. The Public Works Department assists with the planning and management activities for the Fleet Maintenance and Road Departments.

Fleet Maintenance Department

The Fleet Maintenance Department has the responsibility for maintaining Fayette County's fleet of 211 on-road vehicles and 105 off road equipment. They have the added responsibility for providing diesel, gas and propane for use by the fleet. Fleet Maintenance also maintains the vehicles and equipment for Fire and Emergency Management Services in order to ensure that they are ready when an emergency occurs.

Road Department

The Road Department's responsibilities include the maintenance of the County's 60.5 miles of dirt roads and 408 miles of paved roads. This department is responsible for

the construction of new roads or for upgrading of existing roads. Other duties handled by this department involve a variety of items, including:

- Dealing with complaints regarding potholes
- Handle permitting for new driveways and inspections of culverts
- Process request for new roadway signs or for replacement signs which have either worn out or have been destroyed. They also prepare signs for County properties.
- Right of way mowing, tree/bush trimming
- Work with County citizens who have stopped up pipe/catch basing or have other drainage problems/complaints.
- Handle removal of road kill (dog and deer)
- Work with developers on subdivision streets and handle roadway inspections

The Public Works department works closely with the Georgia Department of Transportation in handling funding applications for new road projects and resurfacing of Fayette County's roads. They also work with the DOT on intersection improvements, including placement of new traffic signs and new turn lane requests.

In the past two years, the Road Department has assisted with the update of Fayette County's Transportation Plan. The study included six sequential steps: (1) Data Collections regarding existing conditions and travel desires, (2) Assessment of future travel demands and patterns, (3) Identification of issues such as existing congestion, safety, and deficiencies in the transportation system, (4) Analysis of improvement alternatives, (5) Selection of preferred improvements, and (6) Identification of costs and potential funding such as the potential for private, local government, state government and federal government funding sources.

The Transportation Plan identified 10 Bridges that should either be upgraded or replaced, 20 Intersections that should be upgraded, 28 Road projects and 7 Streetscape projects. Conceptual plans along with project descriptions were included in the final report and were forwarded on to the Atlanta Regional Commission to be placed on their aspiration list as well as hopefully make it onto the RTP. The estimated cost for all these projects identified in the plan is \$401,712,000. The Atlanta Regional Commission has published a draft of the 2030 RTP (Regional Transportation Plan) which includes 38 projects within Fayette County from this local plan and other submitted from Georgia Department of Transportation. The RTP is a long-range plan which includes a balanced mix of projects such as bridges, bicycle paths, sidewalks, transit services, new and upgraded roadways, safety improvements, transportation demand management initiatives and emission reduction strategies. This plan, by Federal law must cover a minimum horizon of 20 years and must be updated every three years in order to meet Federal quality standards.

The funding of the Plan will include Federal, State and local dollars. Federal funding will require at least 20% local funding for construction. In some cases, the local share exceeds the minimum 20% for one of the two reasons:

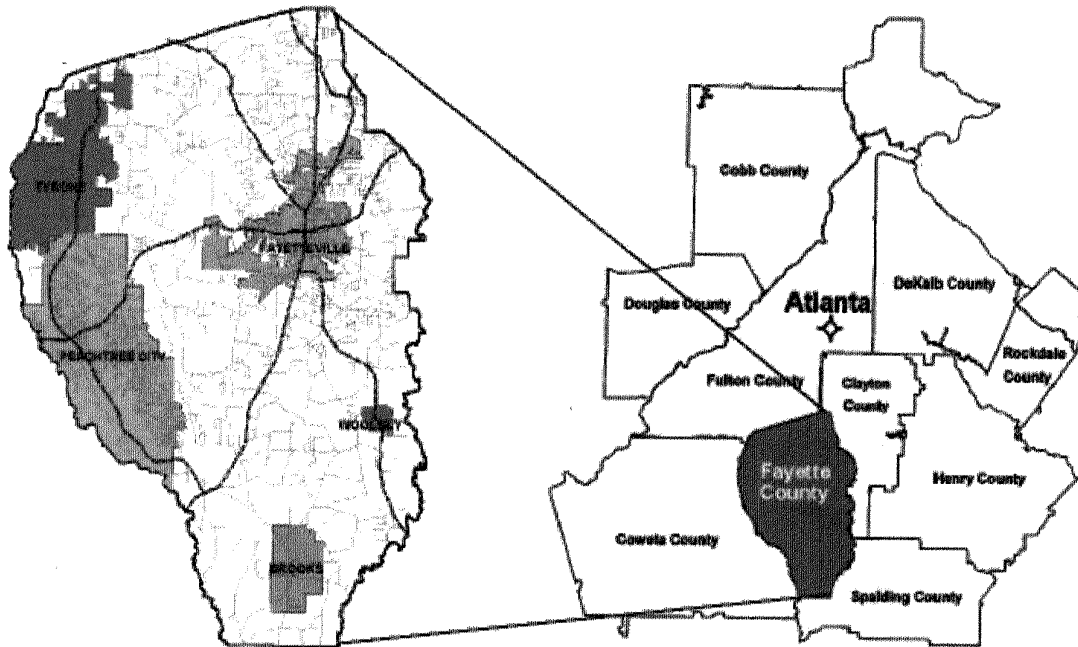
1. The desire to advance the project more quickly by beginning the engineering work with local funds, while securing Federal/State funds for construction.
2. The anticipated availability of Federal/State funds.

Conclusion

The Public Works Department serves a vital function to the County by maintaining its fleet of vehicles and other equipment and by keeping all County roads patched and repaired as well as keeping an aggressive resurfacing program underway. Should the 1% SPLOST be approved during the November election, the importance of this department will be further elevated.

Fayette County :

Municipalities and Proximity to Metropolitan Atlanta Area



Fayette County spans 199 acres and has 5 incorporated municipalities within its boundaries. There is an estimated 99,560 people calling Fayette home today. Atlanta, with its world of shopping, dining, cultural opportunities and major league sports is just 30 minutes away.

Municipalities

FAYETTEVILLE – Fayetteville is the county seat of Fayette County and was named for Marquis de LaFayette, one of General George Washington's commanders in the Revolutionary War. The City was incorporated on December 20, 1823. The original size of town was a half mile circle from the courthouse. The Southern Railroad came through in 1888 and was removed in 1928.

PEACHTREE CITY – Peachtree City was created in 1959 and includes the communities of Kedron, Aberdeen and Clover. The city now features three golf courses, two lakes, an amphitheater, a tennis center, an indoor swimming complex and 90 miles of pedestrian and golf-cart pathways connecting all parts of the city.

Brooks – The town of Brooks was first known as Haistentown after some of the original settlers. The community became known as Sharon Grove

in the 1840's. When the railroad came through in 1871, Hillery Brooks gave the property for the train station that was known as Brooks Station. In December 1905, the town became known as Brooks.

WOOLSEY – The Southern Railroad came through the area that became Woolsey in 1888. Woolsey was incorporated in 1893. It was named for Dr. I.G. Woolsey, who was the town's largest landowner. Dr. Woolsey was a Civil War surgeon and a minister.

TYRONE - Tyrone was settled by Irish farmers and the town first known as Hopewell. The town was incorporated in 1911 by railroad builders who were mainly Scotch and Irish. They named the town Tyrone because they thought the area reminded them of their home area around County Tyrone in Ireland. Tyrone got its first pave street in 1948.

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